



Public Service Commission of Wisconsin

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Court Issues Judgment Against Wisconsin Phone Company

MADISON - The Public Service Commission applauded the judgment against Chibardun Telephone Cooperative, Inc., located in Dallas, Wisconsin for illegally using earnings and assets in outside competitive ventures.

On January 15, 2004, Dane County Circuit Court Judge Angela Bartell required the cooperative to pay \$16,000 for violating state utility laws. The forfeiture represents the largest amount assessed against a utility for violating telecommunications anti-cross subsidization laws. The Department of Justice represented the PSC in the court case.

In November, 2001, the Commission concluded that Chibardun, as a protected monopoly, could not use patrons' funds to subsidize affiliate companies' transactions. This is known as cross-subsidization and is prohibited by law because it is unfair to competitors and risks members' funds.

Chibardun provided its cable television affiliate with unused, buried, telecommunications fiber at cost instead of at the fair market value and guaranteed loans to two other outside affiliates. Providing assets from a protected monopoly to outside affiliated companies, as Chibardun had done, creates an unfair advantage against competing companies. The law was designed to maintain a level playing field.

The Commission position was upheld by Circuit Court Judge Gerald Nichol on January 7, 2003. His decision led to the judgment issued earlier this month.

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